

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE BRISTOL COUNTY WATER AUTHORITY

September 27, 2012

450 Child Street, Warren Office, Warren, RI

Pursuant to proper notice, the regular meeting of the Board of Directors of the Bristol County Water Authority was called to order by Chairman Klepper at 6:00 pm, 450 Child Street, Warren Office, Warren, Rhode Island. Executive Director Pamela Marchand, Legal Counsel Ms. Sandra Mack and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, Paul Bishop, Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Allan Klepper, Raymond Palmieri, Sr., Frank Sylvia

Director Absent: None

B. Approval of Minutes

Director Palmieri and Chairman Klepper had corrections to the minutes

Upon a motion made by and seconded, it was unanimously

VOTED: That the minutes of the Board Meeting of August 15, 2012, as amended, be approved.

C. Public Input

The Chair recognized Mr. Woods from 133 Poppasquash Road. Mr. Woods questioned why a fire hydrant at Colt State Park at the barn has a canvas cover on it. Executive Director Ms. Marchand stated that to remove the hydrant the entire service connection would have to be dug up.

Mr. Woods asked if Poppasquash residents could help BCWA in obtaining permits to go through the wetlands. Executive Director Ms. Marchand stated that BCWA is working with DEM and she is willing to work with anyone who can help to complete this project.

Executive Director Ms. Marchand stated that there are currently three tentative phases planned out for the project. A Workshop will be held to further answer residents' questions.

D. Reports to the Board

1. Executive Directors Report, Executive Director P. Marchand updated the Board on various matters. She stated she had received the revised Union Contract today and that there would be a hearing on the Franklin Street project immediately following the board meeting.. Letters were sent to the Franklin Street residents inviting them to the hearing. She noted that she had received Department of

Health approval and that the Authority can go ahead with the financing for the project..

2. Financial Report – M. Champagne noted that as of 6 months, revenues are at \$5.68 million which is \$232,000 over budget, and that Operating Expenses are under budget. He noted that Mr. Robert Bostian will be at the October 10 Meeting for a presentation.

E. Items Requested for Discussion

1. Web Site Presentation – Kelly Shouse, Ms. Shouse was on the original Roger Williams University team to develop BCWA's website. Ms. Shouse gave a presentation on upgrades to the site making it more user friendly.

Director Allio asked if the work could be completed by January 1.

Executive Director Ms. P. Marchand stated that this was one of BCWA goals to get the site up and running.

Ms. Shouse stated she would be willing to work with someone for a period of three months to complete this work. Decisions have to be made concerning the content of the site, corresponding with customers, maintaining and hosting the site.

Chairman Klepper stated he was very impressed with the

presentation and thanked Ms. Shouse. The Chairman asked Executive Director Ms. Marchand to come back to the Board with her recommendations to address the decisions outlined by Ms. Shouse.

2. Draft 20 Year Capital Plan, Executive Director Ms. Marchand presented a revised version of the Capital Plan. The plan reflects operations capital expense, internal expenditures, and infrastructure renovation projects. She indicated that the Pawtucket/East Providence project would take 2 years to complete and the cost to construct it will be paid over a 20 year period. She indicated that the plan anticipates BCWA issuing bonds every three years. The first 5 years is the most critical. She noted that BCWA needs funding to go forward with the plan.

Chairman Klepper stated that this is a conceptual financial plan, but it will not be final until this is solidified. The Chairman asked how many miles of pipe will be refurbished within this 20 year plan. Executive Director P. Marchand stated she will provide the Board with this information.

The Executive Director also stated that Bristol's upgrade to the high service area is included in this plan. She explained that it is very expensive to replace water mains with ties to GIS system, work order system and the asset management program. There is a total of 233 miles of pipe and about 56 miles of pipe have been refurbished to date.

Director Jannitto asked if a rate increase is not approved what happens to this 20 year plan.

Executive Director P. Marchand stated that once this 20 year plan is approved, it is submitted to the Department of Health and BCWA will be committed to financing this plan. The Executive Director stated that she will provide a rate analysis and rate impact for the October meeting.

Legal Counsel Ms. Sandra Mack stated that under the existing Water Supply Act there is a mandate that BCWA maintain its existing resources, the Shad Pipeline and the Water Treatment Plant. There is no mention of these items in the 20 year plan. She noted concern that the 20 year plan as drafted is in conflict with the mandates under the Water Supply Act, and the state's funding obligations under the Act.

Executive Director P. Marchand stated that the RIWRB has included in their strategic plan BCWA building a pipeline to Pawtucket, they are writing legislation for this change to occur. She also noted that BCWA will not be required to continue with the resources in MA.

Chairman Klepper asked for a copy of the RIWRB strategic plan be provided to the Board and legal counsel.

Executive Director P. Marchand explained her chart comparing

similar sized utilities in the State and average water rates, numbers show that BCWA is not the highest in the State. BCWA is running below what it needs for the operation of the system. Hydrant revenues are for the fire service, not a charge for the hydrants, BCWA rates are very low compared to other towns.

3. Rate Study – Update, Chairman Klepper asked the Board for their input. Executive Director P. Marchand stated that the consultant will be here with a working model including how to modify rates for different categories and classes.

Director Allio requested Strategic Plan Item be moved to up on the Agenda.

Upon a motion duly made by Chairman Klepper and seconded it was

VOTED: To change the order of the agenda to accommodate the request to move up the Strategic Plan Item.

Motion passed 5 – 4. Voting Aye Directors Allio, Palmieri, DeMelo, Gosselin and Jannitto. Voting Nay Chairman Klepper, Directors Sylvia, Bishop and Fitta.

4. Draft Strategic Plan, Director Allio asked the Board if the material they previously received presented an accurate statement of the company's mission, values and vision.

Chairman Klepper stated that the Capital Plan is a tactical plan. The strategic plan is a goal that the Board will be adopting.

Director Allio asked if there were issues that needed to be discussed before the Strategic Plan is voted on at the next meeting.

Discussion followed concerning the goals that have to be achieved before a Board vote.

Legal Counsel Ms. Mack noted concerns relating to bond funds of approximately \$6 million being held by the RIWRB, and whether those funds would be applied to the cost of the Pawtucket/East Providence project? She also noted that the strategic plan speaks to disposition of assets, which under the BCWA Bond Resolution cannot be disposed of until the bonds are paid off or certain conditions stated in the Bond Resolution are met. She again noted that BCWA has contractual and legal obligations that impact these areas.

Executive Director P. Marchand stated that disposal of assets is long term and will not occur until BCWA has a secondary supply.

Chairman Klepper asked if Ms. Mack could add some notes to the Strategic Plan explaining the contractual and legal obligations to this internal document.

5. RFP – Pension Fund Investment Services, Executive Director P. Marchand stated that this was a draft version for the Board's information.

Director Allio asked the Board for their comments and input, and asked that the Board move quickly with this RFP.

Chairman Klepper stated he wanted an evaluation process that is straightforward and would stand up legally.

Manager of MIS and Accounting Mr. M. Champagne stated an investment policy could be written that addresses our concerns.

The most important element of an investment policy is risk adjustment and investment performance stated Director Allio.

6. RFP – Management Information Systems, Executive Director P. Marchand stated she has been looking at different systems that are available. She is looking at the work order system, the central system organizing all the data. It organizes the GIS, asset management, customer service information and all of BCWA's assets. All information has to be integrated and available.

Chairman Klepper asked the Executive Director for a memo describing the different modules and how they will be integrated.

7. RFP – Legal Services, Executive Director P. Marchand stated the deadline is October 26. The RFP has been re-advertised and proposals have also been sent to different firms.

8. RFP – Dam Inspection, Executive Director P. Marchand stated the RFP is ready, this is to inspect the Shad and the cost should be \$35,000.

9. RFP – Instrumentation Technical Services, Executive Director P. Marchand stated the RFP is complete. This RFP will be for servicing all of BCWA's instrumentation including SCADA System.

10. Performance Criteria – Executive Director, Chairman Klepper presented the current MBO form. This form has been used to evaluate the Executive Director, He noted that he will be evaluating the Executive Director with Director Gosselin.

Director Allio said the performance of senior management should be reviewed annually. Last evaluation was done in 2009. The criteria for evaluating senior executives is whether the CEO meets certain performance objectives. The Board should evaluate the Executive Director in February using these criteria.

11. Quarterly Charge-Offs, motion duly made by Director Gosselin and seconded by Director Bishop.

MOTION: To approve the Quarterly Charge-Offs in the amount of \$7,832.84, as presented.

Director Palmieri questioned who generated the largest number of the charge-offs.

Manager of Customer and Commercial Services Mr. Joseph Granata stated that most of the charge-offs were residential accounts.

Executive Director P. Marchand stated she is working on a proposal changing the Rules and Regulations where the homeowner will be responsible for the bill instead of the renter.

Motion passed unanimously.

10. Performance Criteria – Executive Director (Cont'd), Director Allio stated that the Executive Director should know the basis for her evaluation.

Item to remain on the agenda.

12. Meeting Video Recording Grant, Chairman Klepper made the following motion

MOTION: Move to grant Marina Peterson \$300 per calendar quarter to off-set the cost for video recording Authority meetings providing

meeting DVD's are either provided to the Authority or accessible via our website link.

Director Gosselin seconded the motion.

Director Allio made the following amendment to the motion.

AMENDMENT: Ms. Peterson be reimbursed for expenses incurred up to this time.

Director DeMelo seconded the motion.

Chairman Klepper explained some Directors had approached him asking that BCWA provide some funds to offset the cost of the video recordings. Chairman Klepper emailed Ms. Peterson asking the cost of recording a meeting. Ms. Peterson stated in her email the costs were about \$45.00 per meeting and that she expects full reimbursement for her costs to date or she would remove the link on our website to the meeting video.

The camera equipment being used is owned by Full Channel TV.

Director Jannitto stated that in the past he has asked Full Channel and Cox numerous times to film our meetings. We are a public body and it is up to the news media to cover us. If this is to be part of our budget then we should go out to RFP for filming of meetings.

Ms. Mack asked Ms. Peterson for an apology for misstating her position on this matter and misleading the directors by circulating incomplete email correspondence..

Ms. Mack noted that she discussed providing the student that filmed the meeting with reimbursement for gas mileage at the applicable IRS rates. She also noted that the Authority should be careful about funding Ms. Peterson who maintains the meeting videos on her personal website (that is not controlled by BCWA) and that is also affiliated with her political party activities. Mrs. Mack also noted that the Authority should follow its bid procedures. She noted that BCWA should have control of the content of the tape that is to be used in our website.

Director Bishop stated that BCWA does not have a written contract with Ms. Peterson.

Director Sylvia stated he would vote against reimbursing Ms. Peterson, this is not transparency, we were asked to reimburse Ms. Peterson after she spent \$690, we are using rate payers' money.

Director Allio stated that Ms. Peterson had provided us with a service and she should be reimbursed.

Chairman Klepper could approve the amendment and pay Ms. Peterson. We then should ask Staff to investigate options of taping

the meeting.

Chairman Klepper withdrew his motion and the second to the motion was also withdrawn. Director Allio withdrew his amendment to the motion and the second to the amendment was also withdrawn..

Director Allio made the following motion

MOTION: To reimburse Marina Peterson for previous expenses incurred in connection with videotaping meetings of BCWA , given appropriate documentation supporting the invoice for a period covered by the last invoice.

Motion seconded by Director DeMelo.

Chairman Klepper made the following amendment which was duly seconded

AMENDMENT: That the staff research and provide recommendations on hosting and processing of recording of BCWA meetings.

The motion, as amended passed 5 to 4. Voting Aye Chairman Klepper, Directors Allio, DeMelo, Palmieri and Fitta. Voting Nay Directors Bishop, Gosselin, Jannitto and Sylvia.

13. Poster Calendar – Contract Award, Director Jannitto made the

following motion, seconded by Director DeMelo.

MOTION: to award to 136 Express of Bristol, RI at a price of \$1,060.00 the contract to print 200 calendars, as presented.

Motion passed unanimously.

14. Capital Expense Fund – Renovation of Training Room and Records Room, Executive Director P. Marchand stated that \$20,000 is needed for HVAC and the remaining work to renovate the training room and records room will be done in-house.

Director DeMelo made the following motion, seconded by Director Palmieri

Motion: To transfer up to \$20,000 from the general operating account to the Capital Account to fund HVAC system improvements for the training and records rooms.

Motion passed unanimously.

15. RFP – HVAC for Second Floor Training Room, Director Fitta made the following motion seconded by Director DeMelo

MOTION: To award to Superior Comfort, Inc. of Bristol, RI at a cost of \$9,572.00, the HVAC System Contract for the training and records

room renovations.

Motion passed unanimously.

16. RFP Management Information Services – Change Order of Scope, Executive Director P. Marchand stated that the project is now much more extensive, additional requirement of a GIS System and she recommends that a change order for an additional \$4,250.00 be approved.

Upon a motion duly made and seconded it was unanimously

MOTION: To approve an additional \$4,250.00, for RFP – Management Information Services.

17. List of Responsibilities (Key Mandates) of Board Members, Director Allio presented 8 key mandates.

Legal Counsel S. Mack stated that BCWA By-Laws and the Enabling Legislation provide the duties of the Directors and Officers. Any changes would have to be done through legislation.

Director Allio stated that the Town Councils should have criteria available to evaluate the Directors. Chairman Klepper stated the Town Councils don't need a list of criteria, if they are unhappy with a Director they can choose not to appoint them. Director Jannitto

stated that every Director is doing the best job he can.

Chairman Klepper asked that this item remain on the agenda.

Chairman Klepper made the following motion, seconded by Director DeMelo

VOTED: To go into Executive Session under RIGL 42-46-5 (2) to discuss a)Costello Case Resolution b) Post Retirement Benefits

All presented voted Aye.

The Board went into Executive Session at 9:35 pm.

The Board returned to open meeting at 10:25 pm.

The Chairman made the following motion, which was duly seconded

MOTION: To adjourn the regular meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 10:25 pm.

Kevin Fitta

Secretary

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